

**From:** Matt Craighead  
**To:** Microsoft ATR  
**Date:** 1/18/02 12:02am  
**Subject:** Microsoft Settlement

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Dear Sir or Madam,

I am an MIT student in the Class of 2002 studying computer science. I have worked in the computer software industry since 1998, both at a small game development firm in Minnesota and more recently as an OpenGL driver developer at NVIDIA Corporation, based out of California. I have had extensive experience developing software on Windows and on numerous other platforms, and I have closely followed the Microsoft antitrust lawsuit since at least 1996.

Early in the lawsuit, you probably could find few tougher critics of Microsoft than me. I despised the company, I despised its software, and I despised its business practices. Indeed, I recall writing an email to the DOJ urging that Microsoft be broken up back then.

However, I have since come to realize that I was wrong.

Indeed, I, like many other Microsoft critics, was rather hypocritical in voicing my opinions. I wasted no time in attacking Windows and other Microsoft products, yet I didn't put my money where my mouth was. I could have downloaded and ran Linux. I could have used alternatives to Microsoft Office. But did I? No, I didn't. In fact, I tried Linux for a short while and quickly came back to Windows, having discovered that Linux was a rather difficult operating system to install, configure, and use, even for a computer-savvy person such as myself.

The more Microsoft products I tried, the more happy I discovered I was with them. Most people are familiar with just a few, like Windows and Office. However, for my own software development, I started using Microsoft Visual C++ (MSVC) 5.0 after I received a free copy of it from Microsoft for participating in a computer programming competition.

After the initial learning curve, I quickly discovered that I greatly preferred MSVC5 to the previous software I had used, Borland C++ 4.5. It was easier to use and its compiler ran faster and generated better code; and it was much better for writing Windows applications. I recall one application that I recompiled using the Microsoft compiler. To my great surprise, the application ran twice as fast with no effort on my part.

I also began to reinvestigate many of my political views when I took an economics course in high school. I frequently argued with my economics teacher about all sorts of issues, and, to my surprise, I discovered that he was frequently right and I was frequently wrong. I discovered, for example, that pollution trading credits were a better solution for all parties involved than were laws that set strict upper limits on emissions. I also began to learn more about the stock market and about business in general. My study of economics has continued through college, both inside and outside the classroom.

I also discovered firsthand, on my first job, that, in the words of George Washington, "like fire, [government] is a dangerous servant and a fearful master." The surprise started when I discovered that taxes are not paid with a check to the Treasury on the following April 15; instead, they're deducted from every single paycheck in advance. I also learned about state laws that, for example, prohibited me from working overtime because of my age, even if I, using my own best judgment as a competent individual, thought I wanted to do so. And where in 1996 I had supported Ralph Nader as a candidate for president, by the 1998 election I was cheering for the Republicans instead.

How does all this relate to Microsoft?

The essential issue in the Microsoft case is: are businesses free to make their own decisions about how to design their products and how to profit off of them, or shall government make those decisions?

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For example, Microsoft wishes to put certain features in Windows; other companies object, saying it would be an unlawful use of monopoly power under the Sherman Antitrust Act.

I will not address the legal issue of whether Microsoft's actions did or did not meet the standard of the Sherman act; I am not qualified to do so. However, what I do believe I can pass judgment on is the issue of whether it is right or wrong for Microsoft to do what it has done.

Microsoft is a corporation, and the purpose of a corporation is to make money; not to serve the public, not to help consumers, not to improve our society. No, in fact, the legal obligation of every corporation is to maximize its own shareholders' wealth, and indeed it should be. The corporation is simply a pooling of resources (those of investors), and those investors have not joined together out of charity, nor out of goodwill to fellow men; their goal is the pursuit of their own happiness -- one of the fundamental ideals of our nation, expressed in the Declaration of Independence.

Their pursuit of wealth (and, by proxy, of their happiness) does not harm others. In fact, in their desire to earn as much money as possible is far more likely to benefit others than to hurt them. For if Microsoft can make a better product, it can sell more of it. Microsoft benefits, because it earns more money. Consumers benefit, because their product is better.

Only a few individuals do not like this picture -- those whose own businesses are threatened by Microsoft's actions. Indeed, look at the companies attacking Microsoft -- Sun, Oracle, etc. -- and you will see that they are, by and large, Microsoft's competitors.

If Microsoft truly drove these companies out of business, would that be a bad thing? No, of course not! For all that would mean is that Microsoft had produced a better product or sold it at a lower price -- and so consumers would have benefited. Of course, many of the companies in the lawsuit are in no risk of going out of business; they are merely feeling the competitive pressures of another successful company. This is entirely healthy.

When you look at the actions these companies wish the Department of Justice to take, you can see that they serve to do little other than cripple Microsoft. They want Microsoft to "de-bundle" features -- in other words, to put fewer features in. They want Microsoft to not engage in exclusive licensing -- yet this is a fundamental element of Microsoft's freedom of contract (and surely these companies don't want their own exclusive licenses revoked!).

Ultimately, they want a standard set that if Microsoft wants to put a feature in Windows or pick a price for its products, their competitors and the government must approve of it -- a system of crass protectionism.

Fundamentally, Microsoft has harmed no one. Everyone who engages in a business transaction with Microsoft does so voluntarily -- by purchasing a product, applying for employment, or signing a contract. Anyone who dislikes Microsoft or Microsoft products or any other aspect of the company can choose to not do so. What would its competitors do? They would restrain people who do wish to engage in such voluntary transactions from making them!

So who is involved in the real restraint of trade here? Surely not Microsoft. Instead, we ought to look to those who wish to slap restrictions on Microsoft. I am not saying we should prosecute them under antitrust laws; I am simply pointing this out, illustrating the absurdity of the situation, and the absurdity of the antitrust laws themselves, which claim to promote "competition" by destroying it.

In fact, I believe that the current Microsoft settlement, if anything, is too harsh on the company, not too lenient. I believe Microsoft is innocent of any wrongdoing, and that they should not receive any penalty whatsoever. Yet, there are those who wish to slap yet greater penalties on the company, or even force it to break up. This is highly misguided.

The real threat to competition in the computer industry is not the actions of Microsoft, but instead George Washington's "fearful master" -- the intervention of the government in a healthy industry where no crime has been committed.

In any case, I must beseech you that, if you do put penalties on Microsoft, you minimize them. I don't believe that companies have an obligation to serve consumers, but at least consider the people who benefit from Microsoft's market position, such as myself.

Consider Microsoft stockholders, whose \$376.2 billion in wealth is in danger. (For the record, I hold no Microsoft stock.)

Consider the millions who happily use Microsoft software.

Consider all the software developers, such as myself, who are grateful that Microsoft has made Windows into a de facto standard for computer software, rather than having to code for numerous operating systems.

Consider all the money Microsoft pumps into research and development every year.

Consider how Microsoft has been instrumental in building the personal computer industry nearly from scratch.

Consider the role model Bill Gates serves as to millions of Americans -- the epitome of the American Dream.

So, please, fight the demands of the 9 state Attorneys General to increase penalties for this innocent company, and instead put your efforts into tracking down the real criminals, violent and nonviolent, of our nation.

Sincerely,

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Matt Craighead, MIT Class of 2002  
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